

LEDINGHAM CHALMERS

s38(1)(b)

**Solicitor
Scottish Enterprise
120 Bothwell Street
GLASGOW
G2 7JP**

**Ref: ML/PL
Your Ref: L/11/6/1522/MJA
Date: 20 February 2001**

Dear Madam

**North Banchory Co Limited
Scottish Enterprise
Hill of Banchory**

We thank you for your letter of 16 February being an offer to make a grant of up to a maximum of £185,000 to our clients North Banchory Co Limited. On behalf of and as instructed by our clients we hereby accept your said offer on the terms and conditions contained therein.

Yours faithfully

s38(1)(b)

**1 Golden Square
Aberdeen**

Ledingham Chalmers, Solicitors

**Scotland Aberdeen, Edinburgh, Inverness, Turkey Istanbul, Azerbaijan Baku, Falkland Islands Stanley
1 Golden Square Aberdeen AB10 1HA Tel: 01224 408408 Fax: 01224 408404 LP-39 Aberdeen-1**

Email s38(1)(b) Direct Dial s38(1)(b) www.leadinghamchalmers.com

A list of partners is available for inspection at the above address.

Authorised by The Law Society of Scotland to conduct investment business under the Financial Services Act 1986



Ledingham Chalmers
Solicitors
DX AB15
ABERDEEN



YOUR REF. s38(1)(b)
OUR REF. L/MJA

16 February 2001

Dear Sirs

On behalf of Scottish Enterprise Grampian Limited incorporated under the Companies Acts and limited by guarantee and having its registered office at 27 Albryn Place, Aberdeen ("LEC"), I offer to make a grant of up to a maximum of ONE HUNDRED AND EIGHTY FIVE THOUSAND POUNDS (£185,000) ("the Grant") to your clients, North Banchory Co. Ltd. incorporated under the Companies Acts and having a registered office at 68 Station Road, Banchory, Kincardineshire, AB31 5YJ ("the Company") on the following terms and conditions:-

1. **Definitions**

In the Agreement unless the context otherwise requires the following expressions will have the following meanings assigned to them:-

"the Agreement"

means the agreement to follow upon this Offer including this Offer, and all letters of qualification, modification, amendment and/or acceptance and all schedules, plans specifications and documents annexed hereto or to such letters;

"the Subjects"

means the site belonging to the Company at Hill of Banchory, Hirm, Aberdeenshire shown outlined in orange on the plan docquetted as Schedule Part 3 and annexed hereto;

"the Project"

means the development of part of the Subjects by the construction thereon of business accommodation in a purpose built building, totalling approximately 13,249 sq.ft. gross on 2 floors with associated site works together with a shell building built as wind and watertight and extending to 10,605 sq.ft. gross (9,795 sq.ft. net) ("Phase 1"). Access road improvements /...

120 Bothwell Street
Glasgow G2 7JP
Tel: 0141-248-2700
Fax: 0141-221-1906
DX GW 170

improvements (as shown on the said plan), estate roads, landscaping etc. form part of the development costs of Phase 1. Two serviced sites will also be brought on stream to accompany Phase 2 (as defined below).

- The business accommodation in Phase 1 will be modelled on the standard of Davidson House, Aberdeen Science & Technology Park. The Company will make significant IT provision (cabling, comms etc.) to appeal to a wide range of potential occupiers.

- Part of Phase 1 (a total of approximately 2,870 sq.ft.) will be managed as a bespoke Business Centre, with units ranging in size from 150 sq.ft. or multiples thereof and available to let on flexible terms. The Company is formulating proposals for management of this centre. It is proposed that one of the Bancon Group companies will take a headlease of the Business Centre unit.

- The remainder of the completed Phase 1 accommodation (c. 7,372 sq.ft. net), will be let on normal commercial terms, to tenants of appropriate covenant. Units will be offered in a range of sizes from 500 sq.ft. to 2,500 sq.ft.. A maximum of 6 suites in Phase 1 (plus the Business Centre wing) are envisaged. (It is possible in addition that a sister company of the developer would lease a suite of c. 1,500 sq.ft. for their own occupation). Phase 1 also includes a meeting room of 350 sq.ft. to be rentalised.

- The internal fit out of the business building totalling 10,605 sq.ft. gross, (9,795 sq.ft. net) will comprise Phase 2 of the development and benefits from Phase 1 by sharing a common core and associated services. The Company has chosen to phase the building to manage risk of letting, etc. Phase 2 will be let on normal commercial /...

commercial terms over a range of unit sizes from 1,000 sq.ft. to 5,000 sq.ft.. A maximum of 4 suites is envisaged for Phase 2. Phase 2 of the development is scheduled to commence 9 months after construction of Phase 1 by which time it is assumed Phase 1 will be fully let.

- The servicing of two numbered plots sites 2/3 and 10 will be carried out in Phase 2. Values per acre (serviced) are estimated at £75,000.

| | |
|-------------------------------------|---|
| "the Project Specification" | means full detailed specifications of the Project including all relevant plans, specifications and Bills of Quantities; |
| "the Project Consents" | means all consents required by law for the carrying out of the Project (including, but not limited to, planning consent, roads construction consent and building warrant); |
| "the Building Works" | means the building works including the internal fit out of Phase 2 and servicing of sites 2/3 and 10 which are required to complete the Project; |
| "the Company's Consultant" | means the architect, quantity surveyor, engineer or other professional employed by the Company for the design of the Project and the supervision of the Building Works; |
| "the Completion Date" | the date on which the Company's Consultant certifies that the Building Works are practically complete; |
| "the Completed Development" | means the Subjects after the Completion Date; |
| "Public Sector Contribution" | means any contribution to the Project either in cash or in kind from any public sector body (including the European Community, any government body, local authority, statutory undertaking or other body wholly or substantially funded by public money); |
| "VAT" /... | |

"VAT"

means Value Added Tax;

"the Regulations"

means the Construction (Design and Management) Regulations 1994 and any statutory re-enactment modification or variation thereof or thereto

2. Purpose of the Grant

The Grant shall be used by the Company for the purpose of Phase 1 of the Project and for no other purpose whatsoever.

3. Advance of the Grant

(1) LEC shall be entitled to withhold the advance of the whole of the Grant until the following preconditions have been purified or waived:-

(a) there has been submitted to and approved by LEC:-

- i) the Project Specification,
- ii) the contract or contracts for the Project which demonstrate value for money to LEC's satisfaction,
- iii) details of the professionals engaged in connection with the Project including the design and supervision thereof,
- iv) details of the Project Consents,
- v) details of the insurance of the Project;
- vi) a Project Programme; and
- vii) an environmental audit of the Subjects.

(b) LEC is satisfied that:-

- i) the Company has obtained sufficient funding to enable it to complete the Project,
- ii) the Company has a good marketable title to the Subjects,
- iii) the Company is able to comply with any conditions attaching to the Project Consents,
- iv) the security provisions of Clause 7 hereof are completed,
- v) the Audited Accounts of the Company for the financial year 1999/2000 demonstrates that the Company is in a good financial position.

(c) there has been agreed between the Company and LEC a timetable for the advance of the Grant.

(2) (a) ./...

- (2) (a) If each of the preconditions contained in sub-clause (1) above shall not have been purified or waived by LEC by the date falling three months after the conclusion of the Agreement, LEC will be entitled to resile from the Agreement without penalty whereupon the Company shall repay to LEC immediately on demand any part of the Grant already advanced.
- (b) The payment by LEC of any part of the Grant shall not of itself imply an acknowledgement of the purification or waiver of any of the said preconditions.
- (3) (a) Subject to the provisions of sub-clause (1) above, the Grant will be advanced in such instalments as LEC shall consider appropriate having regard to the physical and financial progress (including the satisfactory execution) of Phase 1 of the Project and the timetable referred to in sub-clause (1)(c) above. The Grant shall cease to be available after 30 September 2001.
- (b) Without prejudice to the generality of Sub-clause 3(a) above, the following procedure shall apply with regard to the advance of the Grant:-
 - i) The Company shall submit to LEC or its nominated representative relative invoices, receipts, certificates and other evidence demonstrating the physical and financial progress of the Project;
 - ii) The instalments of the Grant shall be assessed by LEC based on the value of the actual work done as certified by the Company's Consultant.
- (4) No instalment of the Grant shall exceed 40% per cent of the value of the actual work done (exclusive of VAT) as certified by the Company's Consultant and approved by LEC.
- (5) If the Company should receive any Public Sector Contribution, LEC shall be entitled to reduce the Grant by the amount of the Public Sector Contribution and if the amount already advanced by LEC in terms of the Agreement should exceed the Grant as so reduced the Company shall repay to LEC immediately on demand the amount of such excess.
- (6) The Company shall notify LEC immediately if:-
 - (i) it shall make an application for any Public Sector Contribution; or
 - (ii) it receives notification that it will receive, or an offer of, any Public Sector Contribution; or
 - (iii) any Public Sector Contribution is received by the Company.

Such./...

Such notification shall give full details of the Public Sector Contribution applied for, offered or received as the case may be.

- (6) LEC shall be entitled to advance the Grant by means of a direct payment to any consultant or contractor employed by the Company in connection with the Project.

4.1 Project Conditions

The Company shall:-

- (a) begin the Building Works in respect of Phase 1 prior to 4 December 2000 and complete the same by 30 September 2001.
- (b) begin Phase 2 of the development by 30 May 2002 and complete the same by 30 July 2002 or such other date(s) as agreed with the LEC it being accepted by the LEC in principle that the Company shall not be obliged to commence Phase 2 until 70% of Phase 1 has been let.
- (c) procure that the Building Works are carried out in a proper, expeditious and workmanlike manner in accordance with the Project Specification and the Project Consents and all to the sight and satisfaction of LEC and that no alterations are made to the Project Specification without the prior written approval of LEC;
- (d) ensure that the implementation of the Building Works is supervised by responsible professional people capable of carrying out such supervision efficiently and competently;
- (e) ensure that no deleterious materials including, but not limited to, the following, are used in the Building Works: (i) high alumina cement in structural elements, (ii) woodwool slabs in permanent formwork to concrete or in structural elements, (iii) calcium chloride in admixtures for use in reinforced concrete, (iv) asbestos products, (v) aggregates for use in reinforced concrete which do not comply with the requirements of British Standard 882 (1983) and the relevant provisions of British Standard 8110 (1985), (vi) lead or any products containing lead in connection with the potable water, (vii) material containing fibres less than three microns diameter and (viii) other substances not in accordance with British Standards and Codes of Practice at the time of specification and/or incorporation within the Building Works;
- (f) permit LEC and their agents and authorised representatives to enter upon the Subjects at any time for the purpose of assessing the progress of the Building Works and the Project;
- (g)/...

- (g) prepare and submit to LEC monthly reports on the progress (both physical and financial) of the Building Works and also of the Project (including evidence of the costs incurred) in a form to be agreed with LEC and provide LEC with such information as LEC may require to enable LEC to ascertain that the conditions of the Agreement are being fully observed;
- (h) ensure that all consultants, contractors and sub-contractors employed on or in connection with the Building Works are paid timeously;
- (i) ensure that adequate insurance is maintained over the Subjects, the Building Works and the Completed Development at all times;
- (j) intimate to LEC immediately when the Company's Consultants issued the Certificate of Practical Completion in respect of the Building Works;
- (k) maintain the Completed Development in good order and repair; and
- (l) use the Completed Development as managed and serviced office accommodation as detailed in the Project. For the avoidance of doubt part of Phase 1 accommodation (approximately 2870 sq.ft.) will be used, managed and serviced as a bespoke Business Centre with units ranging in size from 150 square foot or multiples thereof and available to let on flexible terms with the remainder of accommodation in Phase 1 to be let on normal commercial terms. Accommodation resulting from the fit out in Phase 2 will be let as a range of self-contained units from 1,000 sq.ft to 5,500 sq.ft on normal commercial terms and for no other uses whatsoever without the prior written agreement of LEC.

4.2 Regulations

In relation to the Regulations, the Company must where the Building Works constitute construction work under the Regulations comply with the following provisions:-

- (a) the Company shall be the client under the Regulations and shall make a declaration in writing to that effect to the Health and Safety Executive ("the Executive") with a copy to LEC and shall be responsible for ensuring that all the provisions of the Regulations are complied with, including, without limitation and to the extent applicable:-

- (i) appointing appropriately qualified and resourced:-

- planning supervisor or planning supervisors
- principal contractor or principal contractors, and
- designers

- (ii)/...

- (ii) ensuring that such notification as is required (if required) under the Regulations is made by the appropriate person to the Executive,
 - (iii) ensuring, in terms of the Regulations, that the construction phase in relation to the Building Works does not start until a health and safety plan complying with the Regulations has been prepared and that such health and safety plan contains the requisite features appropriate for each of the phases of the project in terms of the Regulations,
 - (iv) ensuring that the planning supervisor, if appointed, is timeously provided with the requisite information in terms of the Regulations,
 - (v) ensuring that the information in any health and safety file delivered to the Company is kept available for inspection in terms of the Regulations, and ensuring that LEC is provided with a copy of the health and safety file required under the Regulations and that any further information which is added from time to time to the said health and safety file is also added to LEC copy thereof.
- (b) The Company acknowledges and undertakes that:-
- (i) it and it alone has arranged and will continue to arrange for: all the design work; and all the carrying out and managing of the construction work in relation to the Building works and in so arranging has reasonably satisfied, and will continue to satisfy, itself that the designers and those managing and/or carrying out such work are appropriately qualified and adequately resourced in terms of the Regulations, and
 - (ii) it shall indemnify and save harmless LEC against any loss, liability, cost, claim, damage, expense or proceedings whatsoever under statute, breach of statutory duty or at common law (including negligence) arising out of a breach by the Company of the obligations and undertakings contained in this paragraph 4.2.

5. Default

The occurrence of any of the following events shall be deemed to be a default:-

- (a) Any failure by the Company to make payment of any sums due to LEC on the due dates;
- (b) The appointment of a receiver or liquidator or the dissolution of the Company;
- (c)/...

- (c) The sale by the Company of the Subjects (or any part of the Subjects) before completion of the Building Works;
- (d) The Company or its parent or an associated company being in breach of any agreement with LEC, Scottish Enterprise or any body to whom Scottish Enterprise has delegated any of its statutory powers and/or functions;
- (e) Any security granted by the Company being called up or enforced or other diligence being carried out against the Company;
- (f) The Project not being carried out or completed to the satisfaction of LEC;
- (g) The Company ceasing trading;
- (h) A significant change occurring in the shareholding of the Company or in the composition of the Board of Directors affecting the control of the Company or the ownership of a majority of the share capital;
- (i) Any information provided by the Company to LEC proving to be or to have been false or misleading;
- (j) The withdrawal of, or any changes which LEC considers to be substantial in, any financial facilities provided to the Company for the purposes of the Project.

In the event of a default LEC shall, without prejudice to any other remedy competent to LEC, be entitled to demand immediate repayment of the Grant in so far as advanced and to refuse any further payments of the Grant. In addition LEC shall be entitled to damages for such loss, damage or injury that LEC may suffer as a result of the breach of the Agreement and LEC shall also be entitled to take steps to enforce the Standard Security referred to in Clause 7 hereof.

6. Profit Sharing

6.1 Capital Value

The Company shall not without the prior written consent of LEC sell the Completed Development except at arms length and at a price which reflects the best possible price which can be reasonably obtained.

- (a) If a total capital value (net of 5.25% normal purchaser costs) greater than £1,937,539 is achieved on the sale of Phases 1 and 2 of the business building the Company shall pay to LEC 50% of the excess.

(b)/...

- (b) If a total capital value greater than £75,000 per acre is achieved on the sale of the service sites, which form part of the initial development (sites 2/3 and 10) the Company shall pay to LEC 50% of the excess

Provided, however, that the total amount payable to LEC shall not exceed the amount of the Grant plus interest on the Grant from the date the Grant is paid to the Company until the date any money is due in terms of this clause is paid to LEC at the rate of 2% per annum above the base rate for the time being of The Royal Bank of Scotland plc.

- 6.2 If the Company should sell the Completed Development other than at arms length or at a price which does not reflect the then prevailing full market value, or if at the time of the sale the Completed Development is not in good order and repair or if the price obtained reflects the fact that one or more of the units comprising part of the Completed Development was not let at the open market rent, the Completed Development shall be deemed to have been sold at the full current market value of the Completed Development at the date of sale and the return to LEC shall be calculated in accordance with clause 6.1.
- 6.3 If the Completed Development shall not actually have been sold by the fifth anniversary of the Completion Date, it shall be deemed to have been sold on such fifth anniversary or the completion of Phase 2 if later at the then full current market value thereof and the return to LEC shall be calculated in accordance with clause 6.1.
- 6.4 For the purposes of Clauses 6.2 and 6.3 above, the full current market value of the Completed Development shall be the price at which the Completed Development might reasonably be expected to be sold by a willing seller to a willing purchaser at arms length, assuming that (i) the Completed Development is in good order and repair and (ii) the units comprising part of the Completed Development in so far as let were let at open market rent.
- 6.5 The Company shall not, without the prior written consent of LEC, (which consent shall not be unreasonably withheld or delayed) sell part only of the Completed Development.
- 6.6 Development Costs

If the development costs and fees incurred relative to the Project at completion are below those as detailed in Part 2 of the Schedule annexed (whilst maintaining the pre-agreed specification and plans) LEC shall be paid 50% of any savings and the Grant shall be deemed to be reduced by the amount of such payment.

- 6.7 Disputes

If/...

If there should be any dispute or difference between the Company and LEC regarding the full current market rent of a Commercial Unit or the full current market value of the Completed Development such dispute or difference shall be referred to an independent arbiter appointed by the parties or failing agreement as to such appointment, appointed on the application of either party by the Chairman for the time being of the Scottish Branch of the Royal Institution of Chartered Surveyors and the decision of such arbiter shall be final and binding on the parties. Both parties shall (including as to costs) be able to make representations to the arbiter.

7. Security

- 7.1 The Company shall, in security of its obligations to LEC grant in favour of and deliver to LEC a validly executed standard security ("the Standard Security") which shall rank behind the security granted or to be granted in favour of the Clydesdale Bank PLC ("the Bank") up to a limit to be agreed amongst the Bank, the Company and LEC (all acting reasonably).
- 7.2 The Company shall comply with the provisions of Part 1 of the Schedule annexed and signed as relative hereto.
- 7.3 The standard security in favour of the Bank shall rank prior to the Standard Security to be granted in favour of LEC but only subject to the foregoing limit and in respect of advances made in connection with the Project and the interest and consequences thereon.
- 7.4 All income received by the Company from the Project and/or the Completed Development shall, subject to the Company's obligations to LEC in terms of Clause 6 hereof, be applied towards the reduction of the Company's indebtedness to the Bank secured by the Bank's Standard Security and ranking prior to the Standard Security.
- 7.5 The Standard Security in favour of LEC shall contain the conditions contained in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 subject to the modification that the Subjects shall be insured with a reputable insurer for an amount to be approved by LEC as representing their full reinstatement value and the insurance policy shall be endorsed to disclose the interest of LEC as heritable creditors secundo loco and shall contain an undertaking from the insurers not to permit the insurance to lapse without giving LEC not less than twenty eight days written notice.
- 7.6 The Company shall grant and deliver to LEC a validly executed company guarantee, from a company previously approved by LEC, of the Company's obligations in terms of the Agreement in a form to be provided by LEC.

8./....

8. State Aids

- 8.1 LEC may withhold payment of the Grant and/or reclaim the Grant either (a) to the extent necessary to ensure that any assistance given under the Agreement, taken together with any other assistance which has been or is likely to be received towards the Project or the Company is within the rules on regional and sectorial assistance laid down by the Commission of the European Communities ("the Commission") or (b) if required to so do by the Commission. Any amount reclaimed as aforesaid shall be payable by the Company within two months of notification to the Company of any such decision of the Commission.
- 8.2 LEC reserves the right to provide the Commission with information about the Agreement. In respect that the Commission is empowered in certain circumstances to require LEC to supply it with any information it deems necessary to enable it to determine that the Agreement complies with the terms of certain European Directives, the Company shall supply LEC with such information as may be required by the Commission in the course of such enquiries, as intimated by LEC.

9. Information

- 9.1 The Company shall, from the Completion Date of the Project for a period of 5 years:-
- a) supply to LEC within six months of the end of each of its financial periods copies of its audited profit and loss accounts, balance sheets and trading accounts; and
 - (b) in addition to the requirement in terms of Sub-clause 4(f) hereof provide, either regularly or as requested within a timescale stipulated by LEC, whatever financial and other information about the Project that LEC may request.
- 9.2 If the Company shall fail to provide to LEC such financial information with regard to the Project as LEC shall require to enable it to assess the profit participation either with regard to rent or with regard to the disposal proceeds of the Subjects, LEC shall be entitled to make an estimate of the relevant amounts based on the information available to it and shall be entitled to require the Company to make payment of the sums due in terms of Clause 6 hereof based on such assessment.

10. Prohibitions

Until all sums due by the Company to LEC in terms of the Agreement have been ascertained and paid, the Company shall not without advising and receiving the written consent of LEC:-

- (a)/..

- (a) Borrow any money or create any charge or security,
- (b) Except in the ordinary course of business grant any lease over or dispose of, sell or alienate any of its heritable or moveable property,
- (c) Do anything to prejudice or affect the financial position of the Company, or the progress of the Project.

11. Interest

Interest will accrue and be payable by the Company to LEC on all sums due to LEC in terms of the Agreement at the rate of Four per centum per annum above the Base Rate or Rates for the time being of the Bank of Scotland.

12. Value Added Tax

If VAT is or becomes payable on any sum due to LEC in terms of Clause 6 hereof or otherwise, the Company shall pay such VAT at the appropriate rate over and above the payment of such sum and LEC shall issue to the Company a valid VAT invoice in respect of such payment.

13. Publicity

Any press release or other public information about or concerning the Grant or the Project will be agreed between LEC and the Company in advance. LEC shall be entitled to erect signs in prominent locations on the Subjects publicising its contribution to the Project provided that the size and location of such signs are discussed with the Company. By the Company's acceptance hereof the Company agrees to LEC making reference in publicity literature that the Project received financial assistance from LEC. LEC reserves the right, at its sole discretion, to disclose to any third party, and through any medium, and at any time, full details of the financial support offered to the Company in connection with the Project and the Company consents to such disclosure and waives any right it may have to prevent or restrict such disclosure on grounds of commercial confidentiality or otherwise.

14. Assignment

The Company is prohibited from assigning its rights or obligations under this Agreement to any other party. LEC shall be entitled to assign its rights and obligations in terms of the Agreement and the Standard Security to Scottish Enterprise or to any other body to whom the statutory powers and functions of Scottish Enterprise may be delegated

15./...

15. Waiver

15.1 Any failure by LEC to seek redress for breaches, or to insist on strict performance, of any terms conditions or provisions of the Agreement, or the failure of LEC to exercise any right or remedy to which it is entitled in terms of the Agreement shall not constitute a waiver thereof.

15.2 A waiver of any default shall not constitute a waiver of any subsequent default.

16. Dispute Resolution

In respect that an adjudicator ("the Adjudicator") has been appointed to review complaints by any person or body claiming to have sustained injustice as a consequence of maladministration by Scottish Enterprise or a local enterprise company contracted to Scottish Enterprise, the Company shall, if the Adjudicator pursues any such complaint against Scottish Enterprise or any such local enterprise company, co-operate fully with the Adjudicator and, without prejudice to the foregoing generality, shall permit the Adjudicator:-

1. to interview persons who may be able to provide information, and
2. to examine papers relevant to the complaint.

17. Termination of Obligations

The Company shall cease to have any obligations to LEC under the Agreement and LEC shall discharge the Standard Security following the sale or deemed sale of the Completed Development and the payment to LEC of the amount (if any) due in terms of Clause 6.

18. Acceptance

This Offer is open for immediate acceptance only and shall be deemed to have been withdrawn failing receipt by me at this office of an acceptance thereof not later than fourteen days after the date hereof.

Yours faithfully

s38(1)(b)

120 Bothwell Street
Glasgow G2 7JP
Group Secretary



[Part 1]

(1) Terms specifically defined in the foregoing Offer shall have the same meaning when used in this Schedule.

(2) [Where the Subjects are not registered in the Land Register]. A valid marketable title to the Subjects including a prescriptive progress of title deeds with clear Searches in the Sasine Register and in the Personal Register for the usual prescriptive periods will either be delivered or exhibited.

[Where the Subjects are registered in the Land Register]

(a) there shall be exhibited a marketable progress of title to the Subjects together with a Form 10 Report brought down to a date as near as practicable to the date of delivery of the Standard Security and showing no entries adverse to the Company's interest, the cost (if any) of said Report being the Company's responsibility. The Company shall also furnish to LEC such documents and evidence (including a plan) as the Keeper may require to enable him to issue a Charge Certificate in name of LEC over the Subjects and containing no exclusion of indemnity in terms of Section 12 (2) of the Land Registration (Scotland) Act 1979;

or

(b) there shall be exhibited or delivered a Charge Certificate (containing no exclusion of indemnity) in terms of Section 12 (2) of said 1979 Act, together with all necessary links in title evidencing the Company's exclusive ownership of the Subjects and a Form 12 Report brought down as near as practicable to the date of delivery of the Standard Security and showing no entries adverse to the Company's interest, the cost (if any) of said Report being the responsibility of the Company. The Company shall also furnish to LECs such documents and evidence as the Keeper may require to enable LEC's interest over the Subjects to be registered in the Land Register without exclusion of indemnity under said Section 12 (2).

The Charge Certificate to be issued to LEC will disclose no entry, deed or diligence prejudicial to LEC's interest other than such as are created by or against LEC or have been disclosed to and accepted by LEC prior to the date of delivery of the Standard Security.

[There will also be delivered, (a) clear Searches in the Companies Charges Register and Company File of the Company and, if appropriate, all other incorporated companies having an interest in the Subjects in the period ten years prior to the date of registration of the Standard Security brought down respectively to a date twenty two days after the date of registration of LEC's interest or to a date twenty two days after the date of registration of the deed whereby such company disposed of its interest in the Subjects, which Searches shall/...



shall disclose no deeds, charges, entries or diligences prejudicial to the interest of LEC in the Subjects and no entries relating to the winding up, striking off, liquidation or receivership of the Company or any other such company, (b) such warranties from the Directors of the Company as, and in such form as, LEC may require and (c) such consents and undertakings of the holder of any Floating or other Charges as, and in a form as, LEC may require].



Scottish Enterprise

Schedule referred to in the foregoing offer to North Banchory Co. Ltd.

Part 2

**Hill of Banchory, Hirn, Aberdeenshire
Calculation of Costs for Clawback**

Phase 1

| | |
|--------------|-----------|
| Construction | 1,656,550 |
| Fees | 156,550 |

Phase 2

| | |
|---------|---------|
| Fit Out | 217,080 |
| Fees | 21,700 |

Sites

| | |
|--------------|---------|
| Construction | 142,532 |
| Fees | 14,180 |

| | |
|--------------|-------------------|
| TOTAL | £2,208,592 |
|--------------|-------------------|

This is the plan referred to as Schedule Part 3 in the Foregoing
Offer by Scottish Enterprise to North Banchory Co. Limited dated
16 February 2001

Glasgow 16 February 2001

s38(1)(b)

